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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 21, 2011

CERTIFIED RETURN RECEIPT
7009 3410 0001 4203 1638

Scott Hughes
Lakeview Rock Products, Inc.
900 North Redwood Road
PO Box 540700
Salt Lake City, Utah 84054-0700

Subject: Evaluation of Reclamation Surety, Lakeview Rock Products Inc., Thomas Pit,
M/011/0002, Utah County, Utah

Dear Mr. Hughes:

The Division of Oil, Gas and Mining's last reclamation cost estimate for the Thomas Pit mine was completed in 2006 and escalated to 2011 dollars, so the reclamation surety amount is now due for review and adjustment. The Division may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

The Division has developed spreadsheets to assist both the Division and mine operators to calculate the reclamation surety amount using standard unit costs. The spreadsheets are available at http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html. Please complete these forms and return a copy to the Division for review. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. Please submit the reclamation cost estimate as an amendment to the Notice of Intention to Commence Large Mining Operations (LMO) so the information is incorporated into the approved plan.

Please provide the calculations by July 26, 2011.

Please contact Wayne Western at 801-538-5263 or by e mail at waynewestern@utah.gov if you have questions about the spreadsheets.




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The Division also requests that you review the current Notice of Intention to Conduct Large Mining Operations (NOI) to ensure it is adequate and reflects the current operation conditions. Any necessary changes should be addressed by submitting an amendment to the NOI.

Thank you for your cooperation. Please call me at 801-538-5261 or e mail me at paulbaker@utah.gov if you have questions about this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', with a stylized flourish at the end.

Paul B. Baker
Mining Program Manager

PBB:lah:pb
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